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Grand Rapids Clearing
House Association

Articles of association, and
rules and regulations

[Grand Rapids]

[1899?]

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[Grand Rapids, 1899?]

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ARTICLES OF ASSOCIATION

and

RULES AND REGULATIONS

of the

Grand Rapids Clearing House Ass'n

(ORGANIZED 1886)

Adopted November 1st, 1899.

FIRST AND PRESENT

Officers and Members of the Association.

Members of the Association.

ORIGINAL, 1886.

1. Old National Bank.
2. National City Bank.
3. Grand Rapids Nat'l Bank.
4. Fourth National Bank.
5. Grand Rapids Savings Bank.
6. Kent County Savings Bank.

OFFICERS, 1886.

H. J. HOLLISTER, President.
H. P. BAKER, Secretary.
A. B. PORTER, Treasurer.

PRESENT, 1899.

1. Old National Bank.
2. National City Bank.
3. Grand Rapids Nat'l Bank.
4. Fourth National Bank.
5. Grand Rapids Savings Bank.
6. Kent County Savings Bank.
7. Fifth National Bank.
8. People's Savings Bank.
9. State Bank of Michigan.
10. Michigan Trust Company.
11. Peninsular Trust Company.

PRESENT OFFICERS, 1899

H. J. HOLLISTER, President.
JAS. R. WYLIE, Secretary.
CHAS. B. KELSEY, Treasurer.
S. V. McLEOD, Manager.
J. A. S. Verdier, Vice Pres.

Clearing House Committee.

WM. H. ANDERSON, Chairman.
H. J. HOLLISTER, *ex-officio*.
JAS. R. WYLIE.
J. A. S. VERDIER.
F. A. HALL.

ARTICLES OF ASSOCIATION
OF THE
GRAND RAPIDS CLEARING HOUSE ASSOCIATION.

We, the undersigned Banks and Trust Companies, do hereby associate ourselves together for the purposes hereinafter set forth and do hereby adopt, assent and agree to the following Articles, By-laws, Rules and Regulations, and such other as may be adopted and to such modifications and amendments thereof as may hereafter be made as herein provided.

It is understood that these Articles, etc., shall supersede and take the place of all previous agreements, and regulations inconsistent herewith of the Grand Rapids Clearing House Association, and that the Association hereby formed, shall succeed to all the rights, privileges, books, records and property of the former and existing Association of the same name, and that the present officers shall continue for the year for which elected as the officers of the Association hereby formed.

ARTICLE I.
NAME AND OBJECT.

SECTION 1. The name of this Association shall be The Grand Rapids Clearing House Association.

SEC. 2. The object of this Association is to promote the interests of its members. To that end it shall encourage a spirit of harmony and confidence between its members;

shall invite and furnish the opportunity for conference about matters of common interest and shall seek to secure, so far as possible, prompt, safe and uniform methods in the transaction of business.

The members shall confer and act together in times of financial stringency or disturbance, and so far as may be, strengthen general credit and confidence in, and among its members; shall arrange for effecting at one place and time the daily exchanges between the members and for the payment of the balances resulting from such exchanges, and may make provisions for the issue and temporary use of Clearing House Certificates when necessary for such purpose.

ARTICLE II.

THE MEMBERS.

SECTION 1. Any Bank or Trust Company duly organized under the laws of the United States, or the State of Michigan, having its principal office in the city of Grand Rapids, and having a paid-up capital of not less than fifty thousand dollars, shall be eligible to membership in this Association.

SEC. 2. Any Bank or Trust Company hereafter desiring to become a member of this Association shall make an application in writing to the Clearing House Committee, accompanied with full statement of its condition. The Clearing House Committee shall thereupon make such examination of the affairs of said applicant as it shall deem necessary, or by and with the advice and consent of said applicant, shall appoint a suitable person to make such examination. In the latter case the expense of such examination shall be paid by the applicant. As soon as practicable after such examination the Clearing House

Committee shall report the result thereof to the Association, and the Association shall thereupon, on motion duly made, proceed to vote by ballot upon the application; and if it shall appear that the application has received favorable votes equal in number to three-fourths of all the members of the Association, the applicant shall upon signing the Articles of Association become a member of the Association, and be subject to all the obligations and entitled to the benefits and privileges thereof.

SEC. 3. Any member of this Association may withdraw therefrom at pleasure upon paying its due proportion of expenses incurred and signifying in writing to the Clearing House Committee one week in advance its intention to withdraw.

SEC. 4. For cause deemed sufficient by the Association, at any meeting thereof, any member may be expelled from the Association and debarred from all privileges of the Clearing House, provided that three-fourths of all the members of the Association shall vote for such expulsion. And provided also that said member shall be notified at least one week in advance of said meeting, and shall be afforded an opportunity of being heard in its own defense.

ARTICLE III.

THE OFFICERS.

SECTION 1. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer. They shall be elected at the annual meeting of the Association, or as soon thereafter as practicable, and shall hold office for one year and until their successors are elected. They shall perform such duties as usually appertain to their respective

offices and as may be further provided in this constitution.

SEC. 2. The President shall preside at all meetings of the Association and shall be, ex-officio, a member of the Clearing House Committee.

SEC. 3. The Vice-President shall preside at any meeting of the Association from which the President may be absent and, in the absence of the President, the Vice-President may be present and vote at any meeting of the Clearing House Committee.

SEC. 4. The Secretary shall keep the minutes of the meetings of the Association and shall conduct the correspondence of the Association. The minutes of the meetings shall be open to the inspection of the members during the business hours of every day.

SEC. 5. The Treasurer shall receive and safely keep all dues, fines and other moneys of the Association. He shall make disbursements only on the order of the President, or of the Chairman of the Clearing House Committee. But the Treasurer shall not receive, nor disburse, nor be in any way responsible for, the money paid at the Clearing House in settlement of the balances arising from the exchanges between the banks.

SEC. 6. Any President, Vice-President, Cashier or Secretary of any Bank or Trust Company that is a member of the Association shall be eligible to serve as an officer of this Association, or as a member of any of its committees.

ARTICLE IV.

THE MEETINGS.

SECTION 1. The annual meeting of the Association shall be held on the second Tuesday in February at 4 p.m. unless the Clearing

House Committee shall designate some other hour of that day.

SEC. 2. Special meetings of the Association may be called by the President, the Vice-President or the Clearing House Committee. And it shall be the duty of the President, or in his absence or inability to act, then of the Vice-President, to call a meeting of the Association upon the written request of three members of the Association.

SEC. 3. All meetings of the Association shall be held at the Clearing House, unless otherwise ordered by the Clearing House Committee and reasonable (printed, typewritten or written) notice thereof shall be given by the Manager (stating the purpose of the meeting.)

SEC. 4. At all meetings a majority of the members of the Association shall be a quorum for the transaction of business. All motions and questions shall be decided by a majority of the members present, except where it is otherwise ordered in this constitution.

SEC. 5. Every member shall be represented at the meetings of the Association by its President, Vice-President, Cashier, Assistant Cashier, Secretary or Assistant Secretary, or one of its directors, and shall be entitled to one vote. The President of the Association shall cast the vote of the member that he represents; and if there should be a tie vote, the President shall in no case have a second or casting vote, but the motion or question shall be considered as lost. The same rule shall apply to whoever may be the presiding officer. In case of the absence of both the President and the Vice-President of the Association, a presiding officer shall be elected for that meeting. In no case shall a member or the representative of a member vote by proxy.

SEC. 6. Any member which shall fail to be represented at any meeting of the Association shall pay to the Treasurer a fine of two dollars.

ARTICLE V.

THE CLEARING HOUSE COMMITTEE.

SECTION 1. There shall be a Clearing House Committee of five members, four of whom shall be elected at the Annual Meeting of the Association, or as soon thereafter as practicable, and shall hold office for one year from the date of such annual meeting, and until their successors are elected. The President of the Association shall be, ex-officio, the fifth member of the committee. The Banks and Trust Companies organized under State Laws, shall be entitled to two elected members of said committee. But no member of the Association shall have more than one representative on the Clearing House Committee. The Clearing House Committee shall fill any vacancies which may occur in its body.

SEC. 2. As soon as practicable after its election the Clearing House Committee shall organize by electing a Chairman, but the President of the Association shall not be eligible to act as such Chairman. A majority of the Clearing House Committee shall be a quorum for the transaction of business, and all questions shall be decided by a majority of the members of the committee, except where it is otherwise provided in this constitution. But no member of the Clearing House Committee shall vote at any meeting thereof by proxy.

SEC. 3. The Clearing House Committee shall have general charge of the affairs of the Association. It shall have authority, on its own motion, to take into consideration any

matter affecting the interests of the Association, and may report thereon to the Association at any meeting thereof, and may make such recommendations as it shall deem proper.

SEC. 4. Whenever the Clearing House Association shall deem it necessary to make an examination of the condition of any member, or when any member for itself shall request the same to be done, the Clearing House Committee shall have authority, and it shall be its duty to make a thorough examination of the affairs of such member of the Association, or to appoint, at the request, and with the advice of such member, a suitable person outside of the Committee to make such examination, and to report the result thereof to the committee. If such member should refuse to allow such examination to be made, or if on such examination or report, the Clearing House Committee should deem the case one of extreme urgency, it may in its discretion, pending a meeting of the Association, suspend such member from the privileges of the Clearing House, unless the member shall forthwith deposit with the committee such securities as it may deem necessary to secure the balances that may be due, or may become due from the member at the Clearing House settlement. In case of suspension, however, under this section, or if the committee on such examination and report shall deem it necessary, the Clearing House Committee shall forthwith call a meeting of the Association, and report its action with the reasons therefor, or the result of such examination, and the Association shall thereupon determine whether such suspension shall continue, or be discontinued, and take such action in reference to the matter as shall

be deemed wise and prudent. But in no case shall action be taken by the Clearing House Committee under this section, except at a meeting at which at least three members of the committee shall be present, no one of whom shall be a representative of the bank under consideration, and except the vote directing such suspension be unanimous. If a representative of the bank under consideration should be a member of the Clearing House Committee, he shall neither meet, vote, nor act with said committee on the question of the examination or suspension of said bank.

SEC. 5. The Clearing House Committee shall have the power to, formulate rules and regulations regarding collections outside of the city of Grand Rapids by the members of the Association, or Banks or Trust Companies or others collecting through such members, and the rates to be charged for such collections, and also provide for the enforcement of the same, and from time to time recommend such additions to or changes in such rules and regulations as it deems judicious, to become operative when adopted by a three-fourths vote of the Clearing House Association.

ARTICLE VI.

THE CLEARING HOUSE.

SECTION 1. The effecting of the daily exchanges between the members and the settling of the balances resulting from such exchanges shall be known as the Clearing House.

SEC. 2. The officers of the Clearing House shall be a Manager, who shall be elected at any meeting of the Association, and shall hold office during the pleasure of the Association. His compensation shall be fixed by the Asso-

ciation upon the recommendation of the Clearing House Committee.

SEC. 3. The officer of the Clearing House shall conduct the operations thereof under the authority and supervision of the Clearing House Committee, and according to such rules and regulations as the Clearing House Committee shall from time to time prescribe.

SEC. 4. The Association may, at any meeting, by a vote of three-fourths of all the members of the Association, direct the Clearing House Committee to issue Clearing House certificates. The said Clearing House certificates shall be executed in the form of a promissory note, and shall be duly authorized by a resolution of the board of directors of the bank issuing the same. A copy of such resolution shall be furnished the committee. Each note shall be for the even sum of one thousand dollars, and shall be substantially in the manner and form as given below. When any member of this Association shall deposit with said committee securities to the satisfaction of said committee and shall execute such a note as herein provided, then said committee shall endorse the said note as and for the Grand Rapids Clearing House Association, and the said committee is hereby made the agent of this Association to make such endorsement. The committee, having made such endorsement, shall deliver the said note to the bank executing the same, and the said bank may use said note in payment of its debit balance at the Clearing House, and the Clearing House may pay out to any creditor bank such note as part of the credit balance of said bank. The bank issuing said note may change the securities deposited for said note, with the consent of said committee, and shall, upon demand, deposit additional

securities to the satisfaction of said committee, Upon the demand of said committee, the said bank shall redeem said note in lawful money of the United States or in national bank notes, as said bank may elect.

CLEARING HOUSE CERTIFICATE.

\$1,000. Grand Rapids, Mich.,

On demand, the Bank of Grand Rapids, Michigan, promises to pay the Grand Rapids Clearing House Association, or order, at the Clearing House of said Association, the sum of one thousand dollars, value received, with interest from the date of this note at the rate of per cent. per annum.

And the maker of this note has deposited with the said Association as collateral security for the payment of this note and for the payment of every other obligation of the maker of this note to said Association, due or to become due, now contracted or which may hereafter be contracted, securities to the satisfaction of said Association. The maker agrees that if this note should not be paid upon demand, the said Association or its assigns shall have full power and authority to sell any or all the above securities or any additions thereto or substitutes therefor, at any public or private sale, or at any board of brokers, free and discharged from any equity of redemption. At any such sale or sales the said Association or any of its members, or its assigns, may purchase any or all the above securities or any additions thereto or substitutes therefor, free and discharged from any equity of redemption. If the proceeds of such sale or sales should not be sufficient for the payment of this note the maker agrees to be answerable to said Association for such deficiency. And the maker agrees to deposit additional securities upon the demand thereof, and to the satisfaction of said Association. Upon the payment, cancellation and presentation to the Clearing House Committee of this note, the securities pledged therefor shall be returned to the maker.

The Bank of Grand Rapids, Mich.
By President, and Cashier.

SEC. 5. Should any member of the Association owing a debit balance at the Clearing House fail to pay such balance by 1:30 o'clock p.m., the Manager of the Clearing House shall immediately notify such delinquent

member, and if such balance be not paid by 2:30 o'clock p.m., the Manager shall immediately notify the other members of the Association, and the other members shall immediately send the Manager their settling sheets for that day. The amounts due to or from the delinquent bank shall be marked off of each sheet and the balances due to and from the respective members shall be ascertained and declared the same as if said delinquent had not appeared at the clerical settlement. Immediately upon the proper debit and credit balances being thus ascertained, the debtor banks shall pay into the Clearing House the amounts due by them respectively. If any bank shall have already paid in an amount in excess of its indebtedness as thus ascertained, the Manager shall refund such excess. And if any bank shall have already paid in an amount less than the amount thus ascertained, the said bank shall pay the deficiency into the Clearing House. After all the debit balances as thus ascertained shall have been paid into the Clearing House, the Manager shall disburse to the creditor banks the sums due them as they may appear according to corrected statement. The delinquent bank shall, upon demand, surrender to the several members of the Association all checks, drafts and other items received by said delinquent bank at the clerical settlement. And the several members of the Association shall, upon demand, surrender to said delinquent bank all checks, drafts and other items received by said members from said delinquent bank at the clerical settlement.

ARTICLE VII.

BANKS NOT MEMBERS.

SECTION 1. No member of this Association shall clear for any Bank or Trust Company in this city, that does not comply with the rules of the Clearing House, provided, however, that for the present, the Post Office shall be allowed to clear through the Clearing House.

ARTICLE VIII.

GENERAL RULES FOR REGULATION OF BUSINESS, ETC.

SECTION 1. The business hours of the different members of this Association shall be uniform, to be regulated from time to time as occasion may require by a three-fourths vote, at any regular or special meeting of the Association. It is, however, understood, that any member shall be at liberty to keep open Monday evenings for the purpose only of receiving and paying Savings Deposits, but the hours of such opening shall be deemed special and not "business" hours for the purpose of maturity, presentation, payment or protest of bank or commercial paper.

SEC. 2. The cost of printing shall be assessed and borne equally by each member.

SEC. 3. The expenses of the Clearing House, except printing, shall be borne and paid as follows: Each member shall pay pro rata according to their average of the exchanges sent to the Clearing House for the preceeding six months.

SEC. 4. When statements shall be called for by the Comptroller of the Currency, or the State Banking Commissioner, the respective members shall make out such statement, and hand same to the Manager of the Clearing

House for publication, who shall cause the same to be published in one daily paper.

ARTICLE IX.

AMENDMENTS AND NEW PROVISIONS.

SECTION 1. These articles of association, rules and regulations, may be amended at any meeting of the Association, by a vote equal to three-fourths of all the members of the Association, provided written notice and copy of the proposed amendments shall have been sent to all the members of the Association at least one week in advance of said meeting.

SEC. 2. Rules for the regulation of business not inconsistent with this constitution may be adopted, amended or repealed by a two-thirds vote of all the members at any meeting of the Association.

RULES AND REGULATIONS GOVERNING CLEARING HOUSE.

RULE 1. That the Banks and Trust Companies be known by the following numbers, in making exchanges:

- No. 1. Old National Bank.
- No. 2. National City Bank.
- No. 3. Grand Rapids National Bank.
- No. 4. Fourth National Bank.
- No. 5. Grand Rapids Savings Bank.
- No. 6. Kent County Savings Bank.
- No. 7. Fifth National Bank.
- No. 8. People's Savings Bank.
- No. 9. State Bank of Michigan.
- No. 10. U. S. Post Office.
- No. 11. Michigan Trust Company.
- No. 12. Peninsular Trust Company.

RULE 2. The hour for making the exchanges at the Clearing House shall be 12 o'clock noon precisely; except on Saturdays when the hour shall be 11 o'clock a. m., pre-

cisely, at which time the settling clerk from each bank shall report at the Clearing House, with their respective demands, separately made out against each other bank in detail. At 1:30 o'clock p.m. the debtor members shall pay to the Manager, at the Clearing House, the balances against them, either in New York, Chicago or Detroit exchange, or currency, and immediately thereafter, or as soon as the amounts can be made up and proved, the creditor members shall receive from the Manager at the same place, in New York, Chicago or Detroit exchange, or currency, the respective balances due them; provided all balances due from the debtor members shall then have been paid, except on Saturdays settlements shall be made not later than 12 o'clock a. m.

RULE 3. Errors in the exchanges and claims arising from the return of checks, or from any other cause, are to be adjusted directly between the members who are parties to them, and not through the Clearing House Association; the Association being in no way responsible in regard to them.

RULE 4. All checks, drafts, notes, or other items in the exchanges to be returned as "not good" or "mis-sent," or for indorsement or informality, shall be returned the same day at or before 2:30 o'clock p.m., except on Saturdays, when the hour shall be 12 o'clock a.m., directly to the member from whom they were received, and the said member shall immediately refund to the member returning, the same amount received therefor, from the Clearing House and in like funds. Several checks of same customer received in any day's clearings, shall be considered as presented separately in the order of their dates respectively.

RULE 5. Should the New York, Chicago or Detroit exchange of any member of this Association, given in settlement of the balance due the Clearing House be dishonored upon the presentation of the drawee, and the payment then refused by the Drawer, it shall be the duty of the Manager immediately to ascertain the several amounts of the debit balances against the drawer of the said exchange, and the names of the several members who held the same on the day on which the said exchange was paid to the Association. He shall then assess the full amount of such defaulted exchange upon the several members aforesaid, in proportion to the respective debit balances aforesaid, and each member so assessed shall promptly pay to the Manager, upon his requisition accompanied by a copy of his assessment, the amount so assessed. The said defaulted exchange shall then become the property of the said several members in proportion to the amounts assessed upon and paid by each therefor.

RULE 6. Members returning vouchers received through the clearings, shall attach a ticket to each item, stating the cause for such return and the name of the bank so returning.

RULE 7. The Manager is authorized to require from members the signatures of such persons as are authorized to receipt for balances.

RULE 8. Messengers will be required to conduct themselves in a quiet and orderly manner; to be attentive to their duties, and to remain at the table while the proof is being made, and until it is announced. Loud communications, conversations, or anything tending to create disturbance or confusion will not be permitted.

RULE 9. It shall be the duty of the Manager to impose and collect at once, impartially from the members at fault, the following schedule of fines:

1. Upon every Bank and Banking firm not represented at roll call at the hours named, without reasonable excuse. \$ 2.00
2. Disorderly conduct of messenger at Clearing House, and disregard of the Manager's instructions; each offense 1.00
3. All errors on the credit side of the settling clerk's statement; that is, in the amount brought, whether of footing or entry 1.00
4. Errors in debit entries 1.00
5. All other errors 1.00
6. Any member failing to be properly represented punctually at the morning exchanges:
 For the first five minutes 2.00
 For the second five minutes 4.00
7. Debtor members failing to pay their balances by the hour fixed for that purpose in the By-Laws 2.00

The foregoing Articles of Association are hereby duly executed by the respective Banks and Trust Companies therein named, by a resolution approving and authorizing the same by the respective Boards of Directors of the said Banks and Trust Companies, this first day of September, 1899.

1. OLD NATIONAL BANK OF GRAND RAPIDS.
2. NATIONAL CITY BANK OF GRAND RAPIDS.
3. GRAND RAPIDS NATIONAL BANK.
4. FOURTH NATIONAL BANK OF GRAND RAPIDS.
5. GRAND RAPIDS SAVINGS BANK.
6. KENT COUNTY SAVINGS BANK.
7. FIFTH NATIONAL BANK OF GRAND RAPIDS.
8. PEOPLES SAVINGS BANK OF GRAND RAPIDS.
9. STATE BANK OF MICHIGAN.
10. MICHIGAN TRUST COMPANY.
11. PENINSULAR TRUST COMPANY.

**END OF
TITLE**